

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Daucher Analyst: Gloria McConnell Bill Number: AB 293

Related Bills: See Prior Analysis Telephone: 845-4336 Amended Date: 04/21/03

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Exemption/Earnings applied Toward Health Care Contribution/Small Business Voluntary Access To Health Care Coverage Act

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED

☒ February 6, 2003, STILL APPLIES.

☒ OTHER - See comments below.

SUMMARY

This bill would generally allow full-time employees of small businesses to contribute up to five hours a week of paid, tax-free, overtime towards the employees' share of health care coverage costs. As it affects FTB, this bill would provide in the Insurance Code a restatement of current Personal Income Tax Law with respect to nontaxable income.

SUMMARY OF AMENDMENTS

These April 21, 2003, amendments:

- clarify the amount that an employee can contribute for the purpose of the health care coverage costs, and
- increase the number of overtime hours from one to up to five that can be worked for that purpose.

The clarifying amendments resolve the implementation considerations raised in the department's analysis of the bill as introduced February 6, 2003.

EFFECTIVE/OPERATIVE DATE

This bill would become effective January 1, 2004.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Jana Howard for Brian Putler 5/13/03

POSITION

Pending.

IMPLEMENTATION CONSIDERATION

This bill would not affect FTB's programs or operations.

TECHNICAL CONSIDERATION

The word "effect" on page 3, line 16, should be "affect." The suggested amendment is attached.

LEGISLATIVE STAFF CONTACT

Gloria McConnell
Franchise Tax Board
845-4336
gloria.mcconnell@ftb.ca.gov

Brian Putler
Franchise Tax Board
845-6333
brian.putler@ftb.ca.gov

Analyst	Gloria McConnell
Telephone #	845-4336
Attorney	Patrick Kusiak

FRANCHISE TAX BOARD'S
SUGGESTED AMENDMENTS TO AB 293
As Amended April 21, 2003

AMENDMENT 1

On page 3, line 16, strike out "effect" and insert:

affect